



House of Representatives

General Assembly

File No. 22

January Session, 2011

Substitute House Bill No. 6233

House of Representatives, March 1, 2011

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING PAYMENT FOR REPAIR OR REMEDIATION
FOLLOWING A COVERED LOSS UNDER A PERSONAL OR
COMMERCIAL RISK POLICY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-313a of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2011*):

3 (a) Prior to commencing any repair or remediation pursuant to a
4 loss covered under a personal risk insurance policy, as defined in
5 section 38a-663, or a commercial risk policy, as defined in section 38a-
6 663, the person who will perform the repair or remediation shall
7 provide the insured with a written notice that indicates the scope of
8 the work to be completed and the estimated total price. Such notice
9 shall not be required for (1) any repair of an automobile that is subject
10 to this chapter, or (2) any repair that is subject to chapter 400. No
11 contract or authorization signed by the insured for such repair or
12 remediation shall be valid or enforceable unless the written notice
13 required in this subsection includes the scope of the work to be

14 completed and the estimated total price.

15 (b) No insurer shall authorize a direct payment to a person
16 performing such repair or remediation unless and until such insurer
17 has confirmed with the insured that the written notice required under
18 subsection (a) of this section has been provided to the insured.

19 (c) As used in this section, "remediation" includes, but is not limited
20 to, cleaning services.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2011	38a-313a

INS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

There is no fiscal impact to the state or municipalities as this bill relates only to private notification requirements under a personal or commercial risk policy.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sHB 6233*****AN ACT CONCERNING PAYMENT FOR REPAIR OR REMEDIATION FOLLOWING A COVERED LOSS UNDER A PERSONAL OR COMMERCIAL RISK POLICY.*****SUMMARY:**

By law, a person who will perform repair or remediation work relating to a claim under a personal or commercial risk insurance policy must give the insured, before any work begins, written notice of the work to be completed and the estimated total price. (This notice requirement does not apply to repairs (1) made to vehicles covered by an automobile liability insurance policy or (2) performed by registered home improvement contractors.)

This bill specifies that if the written notice is deficient (i.e., does not include the work to be completed and the estimated total price), any contract or authorization the insured signed for repair or remediation work is invalid and unenforceable.

The bill also requires an insurer to confirm with the insured that he or she received the required written notice before the insurer approves payment to the person performing the repair or remediation work.

EFFECTIVE DATE: October 1, 2011

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 0 (02/10/2011)